

Community Wellbeing Overview & Scrutiny Committee

Final Report of the Service Level Agreement Working Group

Chairman's Foreword

Waverley Borough Council is proud of its strong track record of working in partnership with not-for-profit organisations. Unlike many other Surrey borough and district councils, Waverley chooses to deliver certain discretionary services via Service Level Agreements (SLAs) with local organisations. This includes social activities for older people, information and advice, community transport, infrastructure support to the sector and arts for wellbeing. This arrangement offers excellent value for money and empowers the community to deliver local services for local people.

Waverley was ahead of its time in Surrey in funding the not-for-profit sector in this way and over the years, borough and district colleagues have turned to Waverley to learn from this model. Given that the SLAs have now operated for 9 years, in 2019 the Wellbeing Overview and Scrutiny Committee identified the need to review the Council's funding mechanism for this sector and inform the Executive as to future possible arrangements.

In November 2019 a formal scrutiny proposal was approved by the Committee and a Working Group Chairman appointed. However, with the emergence of the pandemic in March 2020 resulting in a significant increase in workload for the Communities Team and not-for-profit organisations to respond to the pandemic, this meant the Group's work needed to be suspended for a while. The Group reconvened in March 2021 to complete its work.

The Working Group has sought to ensure that the Council's funding of not-for-profit sector organisations further the objectives in the new Corporate Strategy. It looked at the impact of Covid-19 on Waverley and Surrey communities and proposed future funding priorities and principles as a result.

The Working Group recommends that the Wellbeing Overview & Scrutiny Committee endorses the proposals set out in the report, which can then be presented to Executive in June.

The Working Group commends the work of the 12 organisations funded through SLAs and also the hundreds of other local not-for-profit organisations in supporting Waverley residents. The Boards, staff and volunteers of these organisations work extremely hard to deliver services to some of our most vulnerable residents in a challenging environment. The Working Group is very grateful for their commitment to supporting the community.

Acknowledgements

The following contributions towards the Working Group's work and production of this report are acknowledged:

- Those Members that contributed to the Working Group;
- Officers from the Communities Team who contributed to the meetings and have worked to deliver material for the meetings;
- Kimberley Soane from Democratic Services, who organised meetings and has taken accurate minutes of each of the meetings;
- Mark Mills, Policy Officer, who has contributed information to the meetings and supported the Communities Team.

Purpose of the report

To present the findings, conclusions and proposals of the review conducted by the Community Wellbeing Overview and Scrutiny SLA Working Group into the Council's strategic funding priorities to the not-for-profit sector.

To recommend that Community Wellbeing Overview & Scrutiny Committee endorses the conclusions of the Working Group and the proposals to refresh the principles and priorities of the Council's funding to not-for-profit organisations.

Introduction

The Council has a strong history of working in partnership with not-for-profit organisations to deliver services. Before the SLA scheme was introduced organisations were able to apply to an annual grant scheme. Annual funding offered a degree of certainty for organisations to plan their services and budgets and incurred significant officer time to administer the scheme. In addition, the same organisations generally received funding each year.

As part of a pilot, three funded organisations - Citizens Advice Waverley, Hoppa and Farnham Maltings outreach service - were moved to three year SLAs in April 2012. Due to the success of the pilot, four additional annually funded organisations signed three year SLAs in April 2015, bringing the total to 7 organisations. Starting in April 2017 the Council agreed a remaining 5 nominated organisations sign up to one year SLAs, extending to a further 3 years from 1 April 2018 to 31 March 2021 and the annual funding scheme ceased. This meant a total of 12 organisations were finally moved from an annual grant scheme to three year SLAs and those 12 organisations have remained unchanged. The Council has had a funding relationship with most of these organisations for at least 15 years.

Given the length of time since the SLAs were introduced and that current Agreements are coming to an end, it was felt timely to review the Council's funding mechanism to the not-for-profit sector and its priorities and principles to reflect changing community needs and the Council's Corporate Priorities.

At the March 2021 meeting of Community Wellbeing Overview & Scrutiny, the Committee agreed that the Service Level Agreement (SLA) Working Group would: *"inform the strategic decision-making of Members as to future funding arrangements*

of charitable/community/voluntary organisations by making recommendations to the Executive through the Community Wellbeing Overview & Scrutiny Committee.”

Methodology

The working group met twice in November 2019 and February 2020 with the initial remit of a full review and to gain a thorough understanding of the SLA process. Key issues looked at were:

- Are the SLAs still fit for purpose?
- Do they reflect / contribute to the changing landscape?
- Do they offer value for money?

The group’s work was suspended during 2020 due to the emergence of the Covid-19 pandemic. It was felt it would be unreasonable to implement any change to the way the Council funds the existing 12 SLA organisations given that many were supporting Clinically Vulnerable and Clinically Extremely Vulnerable people and were working in partnership with the Council’s responsibilities under the Civil Contingencies Act 2004. In addition the Communities Team were having to focus on the immediate Community Response to the pandemic.

The Chairman, in consultation with the working group members and the Chair of the Community Wellbeing Overview and Scrutiny Committee revised the initial scope and stated that the objective of this report should be directed towards the question: *“What principles will allow funding the charitable and voluntary sector to better enable the Council to achieve its Corporate objectives?”*¹ This question reflects the shared desire of the Community Wellbeing Overview & Scrutiny and the Working Group to focus on strategic rather operational issues at this stage, as well as to make a constructive contribution to the Executive

The Working Group members were:

Cllr Jenny Else (Chairman)

Cllr Mary Forszewski

Cllr Michaela Gray

Clr John Robini

Meetings were held as follows:

Date	Function
13 November 2019 and 5 March 2020	Agree the scope and focus of the review To provide the working group members background and history on the SLA arrangements and previous grant schemes
3 March 2021	looked at Community Support During Covid and emerging themes
25 March 2021	Looked at the impact of Covi-19 on Waverley and

1

	Surrey residents. Used the information to draw up some parameters they would like to propose the Executive focus on and agreed a set of funding principles and priorities.
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Evidence

The evidence used to reach the conclusions contained in this report was provided by a variety of sources. It included data as well as anecdotal evidence.

- data from the Surrey Community Impact Assessment November 2020 which explores the health, social and economic impacts of Covid-19 among communities across Surrey.
- anecdotal evidence from officers from their work with statutory and not-for-profit sector partners over the past 12 months, as well as Councillor's local knowledge.
- a briefing note setting out the community support during Covid-19 and emerging themes shown in Annexe 1 .
- Members received a presentation from Officers summarising the evidence based needs of the community following the pandemic, the impact of Covid-19 linking to strategic priorities, options and impact of any changes in the council's funding to organisation and options for funding principles and priorities. A summary of the presentation is shown in Annexe 1.

The Working Group recognised that any funding scheme should reflect the post-pandemic world and changing corporate work streams. This included the Council's Corporate Covid-19 Recovery Community Resilience work stream as well as the priorities of the local Integrated Care Systems.

The Working Group discussed the ways in which the Council could potentially fund not-for-profit organisations in future, which could include commissioning and tendering processes.

Conclusions

In light of the Working Group's remit to inform Members regarding the strategic rather than operational issues of the Council's funding mechanism, they proposed seven funding principles and five priority funding issues. The hope of the members of the Working Group is that the Executive will consider these when agreeing a future approach to funding by asking if it addresses the priority issues identified and whether it fulfils the principles suggested. The members of the Working Group believe this is the right way forward to develop a system of funding for the not-for-profit sector that is suited to the post-Covid world.

The Working Group felt that whilst discussions were taking place regarding funding principles and priorities, alternative mechanisms to work with not-for-profit organisations should be considered. The Working Group felt the Council may wish to consider a commissioning and/or tendering process as an alternative to SLAs. The Council has previously operated a commissioning scheme in partnership with Surrey County Council and any possible change could be based on this scheme. A

commissioning process would require an assessment panel to score applications, on which funding awards would be based.

The Working Group felt that a different funding mechanism would offer an opportune time to open up any funding scheme to new organisations to apply. It discussed whether the Council’s financial support to the same organisations over many years has resulted in the delivery of services that are potentially not meeting the changing needs of the population and Council’s priorities as a funder.

Any change in funding mechanism, priorities and principles could potentially put some of the current 12 SLA organisations at financial risk, albeit not immediately. The funding to most organisations contributes towards their general running costs which is more difficult to secure than for specific projects. However, a change of funding priorities and principles offers the potential for a refresh of services to be delivered and to forge new partnerships.

Recognising that Citizens Advice Waverley and Hoppa receive much larger levels of funding than the other organisations the Working Group felt that the Council may wish to consider ring-fencing these services and taking them out of any open funding application process, thereby prioritising their funding to work in partnership with the Council.

The Working Group felt that there may need to be more focus on support for issues rather than particular age groups. In particular, buildings supporting specific age groups are costly to run and a successful, sustainable community centres generally operate a model that supports all ages as this offers opportunity to deliver a wider range of services and increases income generation.

The Working Group proposed 7 new funding principles and 5 new funding priorities that may underpin any new funding mechanism as follows:

Funding Principles

#	Principle	Rationale
1	The Council’s funding of the not-for-profit sector should be orientated towards achieving its strategic priorities	One point that came very clearly from the evidence given to the Working Group is that there are a huge number of not-for-profit sector organisations delivering valuable work to Waverley residents. It also seems likely that many would benefit from financial support from the Council. Given this surfeit of worthy recipients, the Council must establish clear criteria to assist in choosing who to work with. These should be grounded in its vision for the Borough, which is set out in the Corporate Strategy 2020-25 . The process of funding should be seen as a means to achieve the Council’s strategic priorities and in particular: <i>“improving the health and wellbeing of our residents and communities”</i> . To this end organisations which apply for funding should be expected to demonstrate how they would help achieve one or more of the Council’s strategic priorities.

2	Target priority issues arising from the aftermath of Covid-19 rather than specific age groups	<p>It is evident that many older people face a distinct set of challenges that require particular support. However, the previous significant focus on services for this age group may not be the right approach for a post-Covid world. The pandemic has highlighted how many social issues either transcend age groups or are concentrated amongst younger age groups. For example, research by the Mental Health Foundation on the impact of loneliness found that: that 18-24 year olds were “<i>more likely than any other age group to report hopelessness, loneliness, not coping well and suicidal thoughts/feelings</i>” and young adults “<i>have been especially badly hit during the pandemic with a triple whammy of curtailed education, diminished job prospects and reduced social contact with peers.</i>”²</p> <p>A set of issues which the members of the Working Group consider to be a particular priority in light of Covid-19 are discussed in the next section.</p>
3	Generate pressure for innovation and service improvement on the part of groups that have been funded for a prolonged period	<p>The Council has essentially funded the same organisations since 2012 and many earlier than that. The durability of these relationships is a testament to the positive contribution that these organisations have made to the wellbeing of residents. The members of the Working Group hope that all of these organisations will continue to apply for support from the Council.</p> <p>However, the needs of the Borough have shifted significantly in that time, not least due to the repercussions of the outbreak of Covid-19. In addition, the Council has come under significant pressure to deliver high quality services in a more cost-efficient manner. To meet these fresh challenges and achieve the value for money our residents expect, the Council should embed an expectation that partner organisations deliver efficient, high quality services to achieve its strategic vision for the Borough.</p>
4	Consider accessibility by public/local transport when locating services	<p>The members of the Working Group felt that given the rural nature of the Borough and poor connectivity, it was important that decisions about which organisations to fund took account of how accessible they are. This assessment should be based on a recognition that:</p> <ul style="list-style-type: none"> a) not everyone has access to or can use a private vehicle b) physical proximity is not a proxy for accessibility and that the availability of transport must be taken into account <p>The availability of affordable community transport to access services and activities is key; therefore ideally, this consideration should be integrated with the decision about the provision of community and public transport.</p>
5	Encourage collaborative working /	<p>Given the extent to which demand for funding will likely outstrip its availability, priority should be given to organisations which co-operate with other organisations from the not-for-profit and public</p>

² <https://www.mentalhealth.org.uk/coronavirus/divergence-mental-health-experiences-during-pandemic>

	partnerships /combining services	sector to maximise their effectiveness and impact. In particular, when the Council funds infrastructure such as a building, it should be on the expectation that it will be used to support a broad range of activities with a diversity of beneficiaries. To further this objective, the Council should play an active role in facilitating and brokering relationships between organisations.
6	Focusing benefits on Waverley and local organisations	The Council's funding pot is modest relative to other public authorities including the NHS and Surrey County Council. It should, therefore, focus its efforts on the niches where it can make the most distinctive contribution. This is likely to be in supporting organisations which have a particular connection with Waverley. This is not to say national or regional organisations do not have a role to play as they often have advantages in terms of economies of scale and being able to share best practice across areas. There may be situations where the Council might commission them to provide a service. However, they are also more likely to have the expertise and breadth of connections to apply for funding from other sources. Organisations which are distinct to Waverley are likely to be more reliant on this Council specifically. In addition, smaller and more local groups specifically focused on Waverley or areas within it, may be more responsive to the distinct needs of the Borough. They benefit from a greater sense of ownership by, and integration with, local communities. Funding such organisations is also likely to ensure that the benefit of the Council's investment is felt by its own residents rather than those of other boroughs. For these reasons, other factors being equal, the Council should favour applications from organisations based and/or primarily operating in the borough.
7	Support local organisations to access national funding streams	As well as funding local organisations with itself, the Council should help them to diversify their funding sources by supporting those without the expertise or capacity to do so, to make applications to other funders.

Funding priorities

#	Priority	Rationale
1	Loneliness	a) Tackling loneliness and social isolation is one of the objectives of the Community Resilience Action Plan. ³ b) An estimated 6% of the Borough's population say they " <i>often or always</i> " feel lonely ⁴

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		c) <i>“People who felt most lonely prior to Covid in the UK now have even higher levels of loneliness.”⁵</i>
2	Unpaid Carers	The Social Care Institute for Excellence has warned that: <i>“Carers UK estimate an additional 4.5 million people are caring for older, disabled or seriously ill relatives or friends since the COVID-19 pandemic. Unpaid carers are facing extreme pressures and there are real fears for carer sustainability now and in the future. There will be huge challenges as more carers return to work or face financial hardship due to caring or job-losses.”⁶</i>
3	Mental health	<p>A report agreed by Community Wellbeing Overview and Scrutiny in March 2021 argued that while: <i>“as a district council we may feel that we have no role to play in improving the mental health of our residents. However, as a provider or services, as an employer and as a community leader there are a number of areas where we can play our part.”</i></p> <p>In addition, to the impact of loneliness and economic insecurity, it appears Covid-19 infection itself may be a risk factor for mental illness. An observational study published in the Lancet Psychiatry journal found that patients who contracted Covid-19 were significantly more likely to subsequently develop mental health problems or brain conditions than similar people who contracted other respiratory illnesses.⁷</p> <p>On the effect of the pandemic on mental health locally: <i>“A 2020 Temperature Check Survey found that 36% of Waverley residents were concerned about their mental health in the next six months. A Surrey Health and Wellbeing Strategy Highlight Report from December 2020, stated that: “Local data shows that more people are entering the mental health crisis pathway with depression and suicidal thoughts than pre-Covid, including those not known to services before and people who have had a long period of symptom stability.”⁸</i></p>
4	Social prescribing	<p>Healthy Surrey notes that: <i>“Social prescribing is recommended by NHS England and UK Government and there is lots of evidence emerging as to how it can help with a range of positive health and wellbeing outcomes. Studies have pointed to improvements in areas such as:</i></p> <ul style="list-style-type: none"> • <i>Quality of life</i> • <i>Emotional wellbeing</i>

		<ul style="list-style-type: none"> • <i>Mental and general wellbeing</i> • <i>Levels of depression and anxiety</i>⁹
5	Community transport	The APPG on Loneliness: Inquiry report suggested “ <i>a lack of affordable transport options for people, particularly in rural communities</i> ” is a risk factor for loneliness. ¹⁰ Given the rural nature of Waverley this is likely to be a particular issue. Waverley has the lowest Connectivity Index in Surrey. Without affordable transport some people are unable to access local services/activities.

Any change to the Council’s funding mechanism, principles and priorities would need to be communicated at the earliest stage to the 12 SLA partner organisations. Whilst officers have prepared them for a potential change, some may not meet any new criteria and therefore will need to adjust budgets and possibly services from April 2022 onwards.

If a change from the current SLA process was agreed, officers would develop a proposed process for approval by the Executive. After this, the scheme would be promoted, organisations would need sufficient time to submit funding bids, a panel would be established to agree decisions on funding and funding agreements drawn up ready for 1 April 2022.

Recommendations

The Working Group recommends that:

1. The Executive should consider a commissioning and/or tendering process as an alternative to SLAs.
2. The Council should open up any funding scheme to new organisations to apply.
3. The Executive should consider ring-fencing funding for Citizens Advice Waverley and Hoppa such that these organisations do not have to participate in any open funding application process.
4. The Council should communicate any change to the funding mechanism, principles and priorities to the 12 SLA partner organisations at the earliest stage.
5. The Executive should ensure any new funding mechanism is underpinned by the 7 new funding principles and 5 new funding priorities enumerated above.

⁹ <https://www.healthysurrey.org.uk/community-health/social-prescribing>

¹⁰ <https://www.redcross.org.uk/about-us/what-we-do/action-on-loneliness/all-party-parliamentary-group-on-loneliness-inquiry/a-connected-recovery> p.61